

For Immediate Release:

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Statement by Barbara Evans, Executive Director of Alabama Watch to the participant of the Alabama White House Conference on Aging Listening Session to be held today, Monday, October, 18, 2004 from 2 p.m. to 4 p.m. at the Birmingham Sheraton Downtown 2101 Richard Arrington Jr. Boulevard North, Birmingham, AL.

Most of you know that Alabama Watch is the statewide nonprofit nonpartisan consumer education and advocacy organization. Many of our supporters and activists are senior citizens, and we have worked hand in hand with senior organizations on a variety of issues.

Seniors, like all Alabama consumers, have a hard "row to hoe" in Alabama. We have some of the worst consumer protection laws in the country. Payday lenders are on every corner, and have little regulation. Subprime lenders target older people with home equity loans. Financial institutions and new technology have resulted in consumers being deluged with excessive late charges and fees on credit cards. Seniors between 65 and 69 years old saw a 217% rise in credit card debt nationally. We are retiring in the red.

Some months ago Alabama Watch began a study of the practice of consumer arbitration, a privatized legal system which takes away consumers right to go to court. People have been calling our offices reporting that because they are forced to pay up-front costs in arbitration, they cannot afford to use the process. While it is relatively inexpensive to file a case in court, arbitration costs can be in the thousands and must be paid up front.

Arbitration is now used in most consumer transactions, such as buying a car or a house or a stove. Unfortunately, arbitration is now being used in human services, such as nursing homes. While Alabama has many absolutely wonderful nursing homes, there are exceptions. When a family places a loved one in a nursing home, it is an emotional time. It is a frightening time, and I know because I have had to do it. It is often difficult to locate a bed. Many times the loved one is very unhappy about placement in a nursing home. They have heard the horror stories and are afraid. It is at a difficult time such as this that people are asked by nursing homes to sign arbitration agreements, taking away their right to address problems in court. And at this time, most consumers will sign their day in court away. They are afraid they won't get another bed. They don't want to make the nursing home mad at their loved one. It is an unfair advantage.

There is no epidemic of lawsuits in nursing homes. In fact, Alabama has a law about bringing frivolous lawsuits that protects business. We know this at Alabama Watch, and we pass on that knowledge through our website at www.alabamawatch.org and with community education seminars.

Demanding that consumers give up their American right to go to court in case something terrible happens in a nursing home is no less than an outrage. The practice takes advantage of people in a weakened condition. It is cruel. And most important, the

practice removes an important safeguard that helps protect nursing home residents. It is one thing to have arbitration in a contract about a car. It is another thing to have it in a contract about your mother. Arbitration in human services must be stopped, especially in nursing home. We have urged nursing homes to end the practice voluntarily and they have not done that, so we need laws to protect our nursing home residents.

I urge state and federal leaders to step up to the plate and fight for our nursing home residents and for seniors in general. And I urge all of you to join hands with Alabama Watch in helping to make retirement years the best years of our lives.

Barbara Evans
Executive Director

Alabama Watch is a nonprofit, nonpartisan, statewide consumer research, education and advocacy group representing the interests of Alabama families and small businesses. For further information e-mail Ms. Evans at bevans@alabamawatch.org or call 1-800-449-7515. Visit the organization's website at www.alabamawatch.org